

**Report to the Wyoming Department of Health
Behavioral Health Division**

**Comprehensive, Supports and Acquired Brain
Injury Waivers
SFY 2017 Provider Rate Rebasing Report**

December 1, 2015



NAVIGANT



I. Executive Summary

The Wyoming Department of Health's Behavioral Health Division (BHD) contracted with Navigant Consulting, Inc. ("Navigant") to rebase the rate methodology that provides payments to providers for the delivery of services to individuals with developmental disabilities. BHD is required to rebase its rates every two to four years based on WY Stat § 42-4-120 (g)-(k), which requires the rates to "be developed following consultation with Wyoming developmental disability and acquired brain injury waiver program service providers, [and] developmental disability waiver program clients and their families." The process needs to "require service and supply providers to provide actual cost of service and supply data to the department and to submit to reasonable audits of the submitted data, if requested by the department."

In addition, the statute requires the use of an expert in cost based waiver program payment systems and the use of data that includes: provider cost data, provider claims data, participant needs assessment data and other relevant regional and national data. To develop statewide rates for the developmental disabilities (DD) and acquired brain injury (ABI) waiver services, Navigant completed a number of tasks in the six month timeframe of the rate study. Navigant reviewed BHD's previous rate setting methodology, met with BHD representatives, conducted a survey of providers to collect current cost and wage data, facilitated provider meetings, researched rate methodologies used by other states, developed payment rates for new and existing services and estimated the impact of the new rates on the State's expenditures.

The objectives of the new methodology are to:

- Collect consistently-reported cost information from providers of services for the ABI, Comprehensive and Supports Medicaid Waiver programs
- Develop uniform statewide payment rates for DD/ABI services based on costs incurred by DD/ABI service providers in Wyoming

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- Use a transparent rate build-up approach to provide a basis for payment of provider costs for: staff wages, program support, administration, non-program contracted services and staff benefits.
- Make available the most needed DD/ABI services and find the right balance in service offering that addresses needs of the consumers while considering available resources and costs
- Provide the opportunity for providers to give input to BHD regarding the costs of operation
- Create standard rates for two new services: *Remote Monitoring and Behavioral Support Services*.

Using cost information and wage rates collected from providers, Navigant built rates from the bottom up. Using cost data inputs developed a consistent structure to apply across all rates. Navigant also examined the specific staffing patterns of each service to assign the appropriate staff wage rate assumptions to each service and developed 15-minute, hourly and daily rates.

In Exhibit 1 on the following pages, Navigant provides a summary of the current rates and proposed rates by service. Navigant also indicates with an asterisk the services that may be self-directed within Wyoming's DD/ABI waivers. Under the DD/ABI waivers, participants (and their parent/guardians in the case of children) who use the self-directed component of the program have "employer authority" and "budget authority," which allows them to purchase eligible services and supports through an individualized budget, select their service providers, hire, fire and manage their own employees, and establish, within state guidelines, their employees' wages.

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Exhibit 1. Summary of Current and Proposed Rates

Service	Current Rates				Proposed Rates			
	15 Minute	Daily	Per Session or Event	Hourly	15 Minute	Daily	Per Session or Event	Hourly
<i>Day Habilitation Services</i>								
Adult Day Service - Basic	\$ 2.70				\$ 2.14			
Adult Day Service - Intermediate	\$ 3.51				\$ 2.95			
Adult Day Service - High	\$ 5.40				\$ 5.00			
Child Habilitation - 0-12 years*	\$ 2.72				\$ 2.10			
Child Habilitation - 13-17 years*	\$ 3.49				\$ 2.82			
Community Integration - Basic	\$ 2.97				\$ 3.14			
Community Integration - Intermediate	\$ 3.86				\$ 4.39			
Community Integration - High	\$ 5.94				\$ 6.27			
Individual Habilitation Training*				\$ 29.66				\$ 22.56
<i>Residential Habilitation</i>								
Residential Habilitation - Basic		\$ 119.31				\$ 121.55		

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Service	Current Rates				Proposed Rates			
	15 Minute	Daily	Per Session or Event	Hourly	15 Minute	Daily	Per Session or Event	Hourly
Residential Habilitation - Intermediate		\$ 142.00				\$ 144.16		
Residential Habilitation - High		\$ 187.40				\$ 204.83		
Residential Habilitation - Intensive		\$ 323.59				\$ 299.78		
Residential Habilitation – Extraordinary Care		\$ 323.59 ¹				\$ 418.46 ²		
Residential Habilitation - Host Home		\$ 130.40				\$ 188.21		
<i>Supported Living</i>								
Supported Living – Individual*	\$ 8.27				\$ 8.62			
Supported Living - Group of 2*	\$ 4.14				\$ 5.09			
Supported Living - Group of 3*	\$ 3.17				\$ 3.92			
Supported Living – Daily* (group up to 3)		\$ 88.76				\$ 109.78		

¹ Represents the current Level 6 payment rate.

² Represents the proposed Level 6 payment rate.

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Service	Current Rates				Proposed Rates			
	15 Minute	Daily	Per Session or Event	Hourly	15 Minute	Daily	Per Session or Event	Hourly
Supported Living with Remote Monitoring				N/A				\$ 7.16
<i>Employment Services</i>								
Prevocational Services - Basic	\$ 2.70				\$ 2.14			
Prevocational Services - Intermediate	\$ 3.51				\$ 2.95			
Prevocational Services - High	\$ 5.40				\$ 5.00			
Supported Employment – Individual*	\$ 6.78				\$ 8.55			
Supported Employment – Group*	\$ 2.70				\$ 2.71			
Supported Employment Follow Along*	\$ 6.78				\$ 7.39			
Employment Discovery and Customization	\$ 6.50				\$ 8.55			
<i>Personal Care Services</i>								
Companion Services – Individual*	\$ 3.85				\$ 5.28			

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Service	Current Rates				Proposed Rates			
	15 Minute	Daily	Per Session or Event	Hourly	15 Minute	Daily	Per Session or Event	Hourly
Companion Services - Group up to 3*	\$ 1.93				\$ 2.64			
Personal Care Services*	\$ 3.85				\$ 5.28			
Homemaker	\$ 3.85				\$ 5.11			
Respite – Individual*	N/A				\$ 5.28			
Respite - Group of 2*	\$ 3.49				\$ 2.64			
Respite Daily – Individual*		\$ 167.52				\$ 190.15		
Respite Daily - Group of 2*		N/A				\$ 95.07		
<i>Therapy Services</i>								
Physical Therapy - Individual	\$ 20.83				\$ 21.15			
Occupational Therapy - Individual	\$ 17.02				\$ 18.94			
Physical Therapy/Occupational Therapy - Group			\$ 15.96				\$ 13.36	
Speech, Language, and Hearing - Individual			\$ 50.34				\$ 54.58	

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Service	Current Rates				Proposed Rates			
	15 Minute	Daily	Per Session or Event	Hourly	15 Minute	Daily	Per Session or Event	Hourly
Speech, Language, and Hearing - Group			\$ 19.32				\$ 18.19	
<i>Case Management</i>								
Case Management - 15 minute	\$ 10.90				\$ 12.48			
Case Management - Monthly (Based on 4 hours per month)			\$ 268.86 ³				\$ 285.16 ²	
Independent Support Broker	\$ 9.44				\$ 11.45			
<i>Other Services</i>								
Skilled Nursing	\$ 18.01				\$ 16.68			
Dietician			\$ 28.66				\$ 30.79	
Behavioral Support Services				N/A				\$ 78.93

³ Represents a monthly rate.

II. Introduction

The Wyoming Department of Health's Behavioral Health Division (BHD) administers a cost-based reimbursement system for providers of services and supplies under the Comprehensive, Supports and Acquired Brain Injury (ABI) waiver programs. Together these three home and community-based services (HCBS) waiver programs serve individuals with developmental disabilities (DD) and ABI and their families in the State of Wyoming, providing them with needed supports to live in their homes and communities. The waiver program is an option available across the entire State and serves eligible individuals from birth through adulthood.

Developing payment rates for services covered by the DD/ABI waivers involves the collection of provider cost data and relevant regional and national data. Pursuant to Wyoming Statute 42-4-120(g) provider service rates for the DD/ABI waivers are to be rebased every two to four years. The current rate basis began July 1, 2008 and will be in place eight years on June 30, 2016; however, Navigant conducted a rate study in SFY 2011 that was not implemented by the Wyoming Legislature.⁴ If rate rebasing occurs, new rates will begin July 1, 2016 (SFY 2017).

Wyoming BHD engaged Navigant Consulting, Inc. ("Navigant") to conduct a survey of DD/ABI waiver providers to assess their incurred costs for providing waiver services during the provider's fiscal year (FY) 2014 and to develop rate models for selected waiver services. In addition, BHD convened two provider workgroups to advise BHD and Navigant with the DD/ABI waiver rate rebasing analysis: a Waiver Rate Rebasing Provider Workgroup to advise on all non-case management services and a Waiver Rate Rebasing Case Manager Workgroup to advise on case management. These two workgroups met regularly to discuss the provider cost and wage survey as well as to provide input on the factors included in the rate models.

III. Navigant's Approach to the DD/ABI Rate Methodology

Navigant's approach to developing a rate methodology for Wyoming DD/ABI waiver services uses a rate build-up to develop rates for the covered services as outlined in the table above. Using cost information and wage rates collected from providers, Navigant

⁴ Navigant Consulting conducted a rate analysis to rebase DD/ABI rates effective for SFY 2013, but the proposed rates were not approved by the State Legislature in 2012; thus the current rates have been in place since 2008.

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built rates from the bottom up. Navigant used cost data inputs to develop a consistent cost structure to apply across all rates. Navigant also examined the average staffing patterns of each service to assign the appropriate staff wage rate assumptions to each service.

To understand the cost of providing DD/ABI waiver services, Navigant examined provider reported cost data and examined costs based on five major groupings of the costs reported by providers on the Provider Cost and Wage Survey: direct care wages and salaries, staff benefits, administration, non-program contracted services and program support services.

Upon initial review and discussion of provider reported costs, Navigant considered all costs reported in the Provider Cost and Wage Survey for the rate development analysis; however, through discussions with BHD and stakeholders, Navigant was able to identify specific costs that might be considered room and board costs and excluded these costs from the rate development. The Provider Cost and Wage Survey specifically requests costs related to participant wages in employment programs and these costs were also excluded from the analysis. Another category of costs, non-program contracted services, which are considered non-direct care services contracted by the provider, were excluded from the analysis as these costs were deemed by BHD as potentially non-allowable expenses for a HCBS waiver service rate and represented about one percent of total costs.

Navigant examined the wage rates by staff type from each reporting provider to establish a basis for wage rates for the rate build-up. In the Provider Cost and Wage Survey, Navigant requested current wage and salary data, which represented what providers were able to afford under current reimbursement. Navigant also requested that providers submit wage rates they considered to be competitive in the current market based on what they knew about wages offered by businesses with whom they compete for staff. In addition, Navigant obtained Wyoming wage rates that are published by the Bureau of Labor Statistics (BLS) for staff types where no survey information was reported or the BLS wages were more representative of the wage level in the State. Navigant developed rate models using scenarios that included current wages, competitive wages and BLS wages as a starting point. Ultimately, Navigant established the rate models using statewide base wage rates for each staff type using the median of provider's current wages as reported in the provider's wage survey or BLS wages for staff types where no survey information was reported. Navigant inflated the wage rates from SFY 2014 dollars to the midpoint of Wyoming's State Fiscal Year (SFY)

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2017 using the Medicare Economic Index (MEI).⁵ Navigant chose the median provider wage and BLS wage because it is a measure of central tendency, i.e., half of the provider wage rates are below the median and half are above. Because it is central, the median is less affected by the highs and lows of the provider group in comparison to other calculations (e.g., an average) and, therefore, is a more stable measure on which to base the wage rates.

For select services, Navigant calculated the wage rates using a different approach given the availability of data as summarized below:

- *Case Management*: Equals the average of the BLS median wage rates for “Child, Family, and School Social Workers” and “Healthcare Social Workers”⁶
- *Behavioral Support*: Equals the average of the BLS median wage rates for Wyoming “Clinical, Counseling and School Psychologists” and “Psychologists, All Other” in surrounding states (i.e., Colorado, Montana, Nebraska, North Dakota and Utah)⁷

Another consideration throughout the analysis was the Fair Labor Standards Act (FLSA) that provides legal rights and protections to many workers, including rights around minimum wage, overtime and travel compensation. This impacts these waiver services because services that meet a companionship definition are exempt from overtime and minimum wage, and live-in workers are exempt from overtime pay. However, these exemptions will not apply when there is a third party employer other than the individual or direct family/household. For rate development, BHD had to consider these requirements so that individual’s ability to self-direct their care and receive services are not compromised by an inability to find a provider due to payment for

⁵ Wyoming’s SFY period is July 1 to June 30; therefore, Navigant inflated the wage rates from the midpoint of SFY 2014 (December 31, 2013) to the midpoint of SFY 2017 (December 31, 2016). Based on the Medicare Economic Index factors as reported in IHS Global Insight 2014Q4 Forecast, Historical Data through 2014Q3; Released by: CMS, OACT, National Health Statistics Group, DNHS@cms.hhs.gov

⁶ There were minimal responses to the Case Manager Cost and Wage Survey; therefore, we relied on BLS wage information for the Case Management service. Given that there is no Case management occupation code in BLS, we determined a composite wage based on occupations with similar descriptions and requirements.

⁷ There are no Wyoming BLS wage rates available for “Psychologists, All Other”; therefore, we incorporated wages from nearby states.

overtime or travel time. As such, overtime and travel time were considered for some services, as appropriate to meet the standard.

In the sections that follow, Navigant describes in greater detail the data sources, data review and rate methodology used to develop the payment rates recommended by Navigant.

IV. Data Sources

For the development of DD/ABI rates, our approach relies on the use of actual provider cost data. The primary data source for the rate development analysis was the Provider Cost and Wage Survey. Navigant supplemented this data with BLS wage data, expertise from providers and, stakeholders to give context to survey responses, and feedback from BHD subject matter experts with regard to service scope and determinations of allowable costs. Navigant also examined provider claims data provided by the Wyoming Department of Health to determine current service utilization to support impact analyses of proposed rates.

DD/ABI Provider Cost and Wage Surveys

Navigant worked with a DD-Waiver Rate Rebasing stakeholder group that included both BHD and DD/ABI providers/stakeholders to construct the Provider Cost and Wage Surveys to collect costs and wage information from DD/ABI waiver providers across the State in a uniform format. Prior to distributing the surveys and instructions, Navigant reviewed the survey in detail with the DD-Waiver Rate Rebasing stakeholder group to gather feedback about providers' ability to complete the survey and understand the information being requested. Navigant made appropriate changes to the survey based on their feedback. Requests to participate in the survey were sent by BHD to all enrolled DD/ABI waiver providers through an email request.

In the surveys, Navigant requested cost, policy and budget information from providers that would support its use for rate-setting purposes and for BHD to respond to requests from the State Legislature. Navigant made the surveys available on a public website in May 2015 and gave providers three weeks to submit their completed surveys. All providers of DD/ABI services were made aware of the survey but participation was voluntary. Navigant developed three separate surveys to collect information about SFY

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2014 costs and wages, the most recent fiscal year completed by the providers. Navigant describes the three surveys in Table 1.

Table 1: DD/ABI Provider Cost and Wage Surveys (FY 2014)

Survey Type	Description of Respondent	Number of Respondents
Long Survey	Provider agencies that received more than \$1 million in Medicaid payments for DD/ABI waiver services during SFY 2014	11
Short Survey	Provider agencies that had less than \$1 million in Medicaid payments for DD/ABI waiver services during SFY 2014	5
Case Manager Survey	DD/ABI waiver case management agencies (no revenue criteria)	12

Navigant conducted four two-hour training sessions with providers in Cheyenne and Casper from April 27 through April 29, 2015: two sessions with large providers, one session with small providers and one session with case managers. During these training sessions, Navigant explained the purpose of the cost and wage surveys, reviewed the Excel-based surveys in detail, explained the process for completing and submitting the surveys, and answered questions from providers and case managers regarding the survey. In addition, Navigant hosted a two-hour webinar with small providers on May 1, 2015, for those who were unable to attend the in-person training session. There was considerable provider and case manager participation in the in-person trainings and the webinar.

The PowerPoint slides presented during the trainings, the surveys, the instructions for completing the surveys, and other supporting documentation necessary to successfully complete the surveys were posted on a website that was created exclusively for this study.⁸ Providers were asked to download the Excel-based files (available for all versions of MS Office 1997-2013) and the instructions and email the completed surveys to Navigant directly. Navigant received and responded to questions from providers and

⁸ Navigant established the following website exclusively for this study where provider agencies could download the survey and instructions: <https://WYBHDSFY2014CostWgSvy.navigant.com>

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case managers throughout the survey timeframe via e-mail and telephone and posted a Frequently Asked Questions (FAQs) document to the Wyoming BHD Provider Survey website for all providers to access. After receiving the submitted surveys, Navigant contacted providers and case managers directly by phone or email to clarify any possible errors or incomplete responses.

Navigant compiled and analyzed the data submitted through the provider cost and wage survey for the development of the proposed payment rates. Navigant based the recommended SFY 2017 DD/ABI waiver rates (for all services except case management) on the survey data Navigant received from those completing the Long Survey, as there were very few responses to the Short Survey and the surveys that were submitted were incomplete. Navigant based the recommended case management rates on BLS information, along with results from the Case Manager Survey and the Long Survey, as described in detail in later sections of this report.

Bureau of Labor Statistics Wyoming Wage Data

When wage data from the Provider Cost and Wage Survey was not sufficient, primarily due to a low response rate for particular professions, Navigant used Wyoming median wages that are published by the Bureau of Labor Statistics (BLS). Using the most recently available BLS wage data from May 2014, Navigant reviewed the average and median wage rates for a range of occupations that were similar to the staff occupations at the DD/ABI waiver provider agencies. For the proposed DD/ABI waiver rates, Navigant relied upon Wyoming statewide median wages published by BLS in May 2014, as shown in Table 2, below:

Table 2: Bureau of Labor Statistics May 2014 Wyoming Wage Data

Occupation Code	Median Hourly Wage (Uninflated)	Description
29-1031 Dietitians and Nutritionists	\$27.75	Plan and conduct food service or nutritional programs to assist in the promotion of health and control of disease. May supervise activities of a department providing quantity food services, counsel individuals, or conduct nutritional research.

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Occupation Code	Median Hourly Wage (Uninflated)	Description
29-1111 Registered Nurses	\$28.68	Assess patient health problems and needs, develop and implement nursing care plans, and maintain medical records. Administer nursing care to ill, injured, convalescent, or disabled patients. May advise patients on health maintenance and disease prevention or provide case management. Licensing or registration required. Include advance practice nurses such as: nurse practitioners, clinical nurse specialists, certified nurse midwives, and certified registered nurse anesthetists. Advanced practice nursing is practiced by RNs who have specialized formal, post-basic education and who function in highly autonomous and specialized roles.
29-1122 Occupational Therapists	\$34.13	Assess, plan, organize, and participate in rehabilitative programs that help restore vocational, homemaking, and daily living skills, as well as general independence, to disabled persons.
29-1123 Physical Therapists	\$38.13	Assess, plan, organize, and participate in rehabilitative programs that improve mobility, relieve pain, increase strength, and improve or correct disabling conditions resulting from disease or injury.
29-1127 Speech-Language Pathologists	\$32.79	Assess and treat persons with speech, language, voice, and fluency disorders. May select alternative communication systems and teach their use. May perform research related to speech and language problems.
21-1021 Child, Family, and School Social Workers	\$22.22	Provide social services and assistance to improve the social and psychological functioning of children and their families and to maximize the family well-being and the academic functioning of children. May assist parents, arrange adoptions, and find foster homes for abandoned or abused children. In schools, they address such problems as teenage pregnancy, misbehavior, and truancy. May also advise teachers.
21-1022 Healthcare Social Workers	\$24.24	Provide individuals, families, and groups with the psychosocial support needed to cope with chronic, acute, or terminal illnesses. Services include advising family care givers, providing patient education and counseling, and making referrals for other services. May also provide care

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Occupation Code	Median Hourly Wage (Uninflated)	Description
		and case management or interventions designed to promote health, prevent disease, and address barriers to access to healthcare.
19-3031 Clinical, Counseling and School Psychologists	\$33.15	Diagnose and treat mental disorders; learning disabilities; and cognitive, behavioral, and emotional problems, using individual, child, family, and group therapies. May design and implement behavior modification programs.
19-3039 Psychologists, All Other <i>(No Wyoming rate available – based on average of wages from surrounding states)</i>	\$41.73 ⁹	All psychologists not listed separately.

⁹ Equals the average of the BLS median wage rates for Colorado, Montana, Nebraska, North Dakota and Utah.

V. Primary Components in Independent Rate Models

In general, independent rate models use assumptions about types of employees; wage rates; benefits, program support and administrative overhead ratios; and direct care worker productivity factors. Each rate model consists of seven primary components, some of which may vary between the rate models for different services while some are consistent across the services. In Table 3, Navigant provides a summary of the components used in this analysis.

Table 3: Primary Components in Independent Rate Models

Factor Type	Name	Description
<i>Direct Cost Allocation Factors</i>	1. Staff wages	Hourly wages for program (direct care) employees
	2. Program employee full-time equivalent (FTE) factor	Costs associated with payroll hours to cover program employee paid time off (e.g., vacation and sick days), training time, etc.
	3. Average staffing patterns	Average number of clients receiving services from one staff person
	4. Productivity adjustments	Time that program staff must spend on non-reimbursable activities (e.g., recordkeeping)
<i>Non-Direct Cost Allocation Factors</i>	5. Employee benefits factor	Ratio of total employee taxes and insurance (health, dental and retirement benefits) to total employee salaries and wages
	6. Administration factor	Ratio of administration expenses to program employee salaries, wages and benefits
	7. Program support factor	Ratio of program support expenses to program employee salaries, wages and benefits

In the surveys, Navigant requested that providers report their total costs and to separate costs into two categories: non-DD/ABI waiver related costs and DD/ABI waiver-related costs. To determine the non-direct cost allocation factors used in the rate models, Navigant calculated each provider's employee benefits factor, administration factor, and program support factor based on the reported DD/ABI waiver-related costs and used the median value among all providers for each factor. Navigant reviewed the preliminary calculations of the rate factors with BHD and the DD-Waiver Rate Rebasing stakeholder group, categorizing the data to examine multiple aspects of the data.

These rate components are described in more detail below.

1. *Reported Staff Wages*

Hourly wages for program employees (e.g., direct care staff, supervisors and case managers) serve as the baseline for the proposed DD/ABI waiver payment rates. For the proposed DD/ABI waiver rates, Navigant relied upon the median reported wage data from the provider cost and wage surveys along with the BLS wage information as presented earlier in this report. Given that providers reported wages for fiscal year 2014 and the BLS wages are from May 2014, Navigant inflated the median reported wages and BLS wages to State Fiscal Year (SFY) 2017 to adjust for inflation.¹⁰ In the survey, Navigant also asked providers to report the competitive wage rate in their local area for employees with similar skills and experience. Navigant received data on competitive wages for just three of the staff types and Navigant considered the reported competitive wages to be anecdotal; therefore, Navigant did not rely on them for rate development. In Table 4, on the following page, Navigant lists the median hourly wages, the inflated wages used in the proposed rate models and the competitive wages reported by providers in the surveys (where applicable) for each staff type. In concert with BHD, Navigant chose to populate the model input for wages with the inflated current median hourly wages from the provider survey, where available, and the inflated median BLS wages for the remaining staff types.

¹⁰ Navigant inflated median wage rates reported in the provider surveys from the midpoint of SFY 2014 (December 31, 2013) to the midpoint of SFY 2017 (December 31, 2016) using an inflation rate of 7.3 percent based on the Medicare Economic Index Levels (released March 2014). Navigant used an inflation rate 6.7 percent (based on the Medicare Economic Index Levels) to inflate BLS wages from May 2014 to the midpoint of SFY 2017.

Table 4: Median Wages by Staff Type, FY 2014

Staff Type	Source of Wages	Hourly Wage	Inflated Hourly Wage to 12/31/16*	Competitive Hourly Wage
Direct Care Workers	Survey	\$ 10.48	\$ 11.24	\$ 13.00
Shift and Unit Supervisors	Survey	\$ 14.03	\$ 15.05	\$ 17.18
Job Coaches and Vocational Trainers	Survey	\$ 12.29	\$ 13.18	\$ 14.00
Case Managers	BLS	\$ 23.23	\$ 24.93	N/A
Dieticians	BLS	\$ 27.75	\$ 29.61	N/A
Nurses	BLS	\$ 28.68	\$ 30.60	N/A
Physical Therapists	BLS	\$ 38.13	\$ 40.68	N/A
Occupational Therapists	BLS	\$ 34.13	\$ 36.42	N/A
Speech Therapists	BLS	\$ 32.79	\$ 34.99	N/A
Behavioral Support Staff	BLS	\$ 37.44	\$ 39.95	N/A

During the Rate Rebasing Workgroup meetings, providers expressed concerns over the wage rates they are able to pay their employees based on current reimbursement levels and the resulting difficulty they face with hiring and maintaining staff. For example, one provider that operates in Lander noted that the Wyoming Life Resource Center pays its direct care employees with similar skills and experience about 20 percent more.¹¹ Other providers noted that they pay wages to new employees that are below what is offered by retail and fast food businesses in their local areas.

Providers explained that low wage rates cause high turnover rates and high vacancy rates, which results in higher training costs for new employees and higher overtime payments for remaining employees. In the provider cost and wage survey, providers

¹¹ In 2013, average wages paid by the Wyoming Life Resources Center equaled \$14.35/hour. Wyoming Department of Health, “Wyoming Life Resources Center: Final Report” (November 2013).

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reported a median turnover rate of 49 percent in SFY 2014 for full-time employees and 87 percent for part-time employees.

Program Employee Full-Time Equivalent (FTE) Factor

The FTE Factor represents costs associated with payroll hours required to cover for staff while they are not available to provide direct services, for example during vacation days, sick time, training, etc. The median number of days reported in the surveys for “paid time off” and training days is approximately 24 days. Given BHD’s training requirements, it decided to apply an FTE factor consistent with the total days reported in the survey based on 17 days per year of “paid time off” and 7 days of training time as shown in Table 5. The calculation of the FTE factor is also provided in the table. The same FTE factor was applied across all services in the rate models.

Table 5: FTE Factor

FTE Factor Component	Number Per Year
<i>Holiday, Sick, Vacation Days (Paid Time Off)</i>	17
<i>Training Days</i>	7
Total Paid Time Off and Training Days	24
Total Paid Time Off and Training Hours	192
% Paid Time Off ¹²	109%

Average Staffing Pattern

Understanding the average ratio of direct care staff to clients is important when developing reimbursement rates to account for services that are not provided on a one-to-one basis. Staffing patterns vary by service and by client; therefore, Navigant

¹² The FTE factor equals one plus the Total Paid Time Off and Training Hours (i.e., 192) divided by the Total Hours in a year (i.e., 2,080).

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determined average staffing patterns to use in the rate models by reviewing the service descriptions posted on the BHD website and discussing service provision with BHD staff and providers.¹³ For daily services, such as residential habilitation services, there are separate staffing pattern assumptions for daytime hours when clients are awake versus nighttime hours, when clients are asleep. In Table 6 below, Navigant shows the average staffing patterns that were used for each service by service and daytime/nighttime hours.

Table 6: Average Staffing Patterns Used in Rate Models

Service	Average Staffing Pattern	
	Awake Time	Asleep Time
<i>Day Habilitation Services</i>		
Adult Day Service - Basic	1:5	N/A
Adult Day Service - Intermediate	1:3	N/A
Adult Day Service - High	1:1.5	N/A
Child Habilitation - 0-12	1:2	N/A
Child Habilitation - 13-17	1:2	N/A
Community Integration - Basic	1:4.5	N/A
Community Integration - Intermediate	1:2.5	N/A
Community Integration - High	1:1.5	N/A
Individual Habilitation Training	1:1	N/A
<i>Residential Habilitation</i>		
Residential Habilitation - Basic	1:4.5	1:6
Residential Habilitation - Intermediate	1:3.5	1:6
Residential Habilitation - High	1:2.5	1:4
Residential Habilitation - Intensive	1:1.5	1:4

¹³ Wyoming Behavioral Health Division, "Comprehensive and Supports Waiver Services: Service Index," Posted 4-21-2014. Available online:

<http://health.wyo.gov/DDD/ComprehensiveandSupportsWaiver.html>

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Service	Average Staffing Pattern	
	Awake Time	Asleep Time
Residential Habilitation - Extraordinary Care (<i>Annual Review Required</i>)	1:1	1:4
Residential Habilitation - Host Home	1:2	N/A
<i>Supported Living</i>		
Supported Living - Individual	1:1	N/A
Supported Living - Group of 2	1:2	N/A
Supported Living - Group of 3	1:3	N/A
Supported Living - Daily (group up to 3)	1:3	N/A
Supported Living with Remote Monitoring	1:8	N/A
<i>Employment Services</i>		
Prevocational Services - Basic	1:5	N/A
Prevocational Services - Intermediate	1:3	N/A
Prevocational Services - High	1:1.5	N/A
Supported Employment - Individual	1:1	N/A
Supported Employment - Group	1:4	N/A
Supported Employment Follow Along	1:1.5	N/A
Employment Discovery and Customization	1:1	N/A
<i>Personal Care Services</i>		
Companion Services - Individual	1:1	N/A
Companion Services - Group up to 3	1:2	N/A
Personal Care Services	1:1	N/A
Homemaker	1:1	N/A
Respite - Individual	1:1	N/A
Respite - Group of 2	1:2	N/A
Respite Daily - Individual with Overtime Factor	1:1	N/A
Respite Daily - Group of 2 with Overtime Factor	1:2	N/A

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Service	Average Staffing Pattern	
	Awake Time	Asleep Time
<i>Therapy Services</i>		
Physical Therapy - Individual	1:1	N/A
Occupational Therapy - Individual	1:1	N/A
Physical Therapy/Occupational Therapy - Group	1:3	N/A
Speech, Language, and Hearing - Individual	1:1	N/A
Speech, Language, and Hearing - Group	1:3	N/A
<i>Case Management</i>		
Case Management - 15 minute	1:1	N/A
Case Management - Monthly (<i>Based on 6 hours per month; minimum of 3 hours to bill monthly rate</i>)	1:1	N/A
Independent Support Broker	1:1	N/A
<i>Other Services</i>		
Skilled Nursing	1:1	N/A
Dietician	1:1	N/A
Behavioral Support Services	1:1	N/A

Productivity Adjustment

Program employees must perform certain non-billable activities during the day in addition to providing direct services. This adjustment is to account for time where the provider is paying the program employee, but the provider cannot bill the State since the employee is completing non-billable activities. Therefore, each rate model includes a productivity adjustment that accounts for the typical amount of time spent doing the following non-billable activities:

- Participating in individual support planning meetings
- Travel time to/from and between participant residences
- Recordkeeping and documentation
- Employer time (e.g., staff meetings)

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- Program coordination and development

The values reported in the survey informed the Productivity Adjustments that are incorporated into the rate models, and the final adjustment factors that are applied to each service are based on discussions with BHD and the Rate Rebasing Workgroups. Given that this is the first time this information was collected from the provider community, BHD would like to explore these assumptions in more detail in the next rebasing analysis. Therefore, for the proposed rates for SFY 2017, BHD has applied Productivity Adjustments for each service based on survey-reported information and BHD's expectations of provision of service.

To calculate the productivity adjustment the total hours in the day are divided by the billable hours. For example, the productivity factor of 1.10 for Adult Day Services is based on 40 hours divided by 36.25 billable hours per week ($40 / 36.25 = 1.10$).

Navigant outlines the Productivity Adjustments for each service in Table 7 below.

Table 7: Productivity Adjustments

Services	Productivity Adjustment
Adult Day Child Habilitation Community Integration Employment Discovery Individual Habilitation Training Prevocational Residential Habilitation Skilled Nursing Special Family Habilitation Home Supported Living Supported Living with Remote Monitoring Supported Employment Supported Employment Follow Along	1.10
Physical Therapy Occupational Therapy Speech Therapy Dietician	1.05

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Services	Productivity Adjustment
Companion Services Personal Care Respite	1.03
Behavioral Supports Homemaker	1.00
Case Management	1.19
Independent Support Broker	1.15

Non-Direct Cost Factors

The non-direct cost factors represent an allocation of the costs incurred by providers beyond salaries and wages for direct care workers. Navigant calculated factors for each provider based on reported costs and arrayed each factor from low to high to determine the median factors that Navigant used in the models. Navigant met with BHD on a regular basis to review the rate model assumptions and the non-direct cost factors. Navigant examined the costs reported on the Provider Cost and Wage surveys associated with each factor calculation to determine the reasonableness of the data and whether it was an allowable cost for DD/ABI waiver services. Particular care was taken to identify and exclude costs that could be construed as room and board costs from the Program Support factor. Table 8 shows each of the three non-direct cost factors and the associated survey cost centers that Navigant used in the calculations. The percentages are based upon the median total salaries and wages for direct care employees reported in the surveys.

Table 8: Non-Direct Cost Factors, SFY 2014

Non-Direct Cost Factor	Survey Cost Center	Case Management	All Other Services
Employee Benefits	<ul style="list-style-type: none">• Total Employee Salaries and Wages• Total Employee Taxes, Insurance and Benefits (<i>FICA, FUI, SUI, workers compensation,</i>	19.52%	23.31%

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Non-Direct Cost Factor	Survey Cost Center	Case Management	All Other Services
	<i>health and dental insurance, and retirement plans)</i>		
Administration ¹⁴	<ul style="list-style-type: none"> • Administration Employee Salaries and Wages (CEO, CFO, etc.) • Non-Payroll Administration Expense (<i>administration expenses, licenses, property taxes, liability and other insurance</i>) 	6.14%	22.69%
Program Support ¹⁵	<ul style="list-style-type: none"> • Total Non-Payroll Program Support Expenses (<i>service-related transportation costs, program supplies, medical supplies, housekeeping supplies, etc.</i>) • Total Non-Payroll Facility, Vehicle and Equipment Expenses (<i>purchase/lease expenses, repairs, depreciation, utilities, etc.</i>) • Total Program Support Employee Salaries and Wages 	16.36%	24.00% ¹⁶

¹⁴ The administration factor is applied to the total direct care cost to estimate the administrative component of the rate. The cost of administration built into the rate ranges from 11-17 percent depending on the assumptions for each service. For case management, administration is 5 percent of the rate.

¹⁵ The program support factor is applied to the total direct care cost to estimate the program support component of the rate. The cost of program support built into the rate ranges from 12-16 percent depending on the assumptions for each service. For case management, program support is 13 percent of the rate.

¹⁶ For the program support factor for non-case management services, Navigant calculated the median value based on the provider surveys for the 4 agencies where BHD received detailed information and clarification from the provider agency regarding the reported costs to confirm that they did not include room and board costs. The resulting factor was rounded from 24.10% to the nearest whole percentage of 24.00% for rate modeling purposes per BHD.

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Non-Direct Cost Factor	Survey Cost Center	Case Management	All Other Services
	<i>(program coordinators, Quality Assurance staff, etc.)</i> <ul style="list-style-type: none">• Total Maintenance Employee Salaries and Wages		

When determining the non-direct cost per unit for services typically provided by sole proprietors, such as respite, child habilitation, companion, and personal care, BHD decided to use 75 percent of the non-direct cost. In the previous rebasing analysis, BHD adopted a reduction factor of 50 percent for these services. The reduction factor is intended to adjust overall costs of the median provider agencies to account for the expected lower operating costs of sole proprietors who were not represented in the survey data. However, as BHD responds to Department of Labor inquiries and studies the effect that the new HCBS regulations will have on small providers and newly enrolling providers, BHD wants to encourage larger providers to provide these services to meet the needs of people newly funded and living in the family home or independently.

In Tables 9 and 10 on the following pages, Navigant presents the detailed data calculations used to create the cost factors using SFY 2014 provider reported costs for the case management and non-case management services.

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Table 9: Summary of Non-direct Cost Allocation Calculations – Non-Case Management Services

Description	FY 2014 Cost Survey Source	Calculation	All Other Service Costs
<u>Benefits</u>			
Total Employee Salaries and Wages	Line 40	A	\$ 4,141,387
Total Employee Payroll Taxes	Line 46		\$ 552,415
Total Employee Health Insurance	Line 47		353,367
Total Employee Dental Insurance	Line 48		16,821
Total Retirement Benefits	Line 54		42,878
Total Employee Health, Dental and Retirement Benefits		B	\$ 965,481
Benefits Factor		C = B/A	23.31%
<u>Administration</u>			
<i>Benefits Factor for Median Provider for Administration Factor Calculation</i>		D	33.69%
Total Non-Payroll Administration Expenses	Line 114	E	\$ 178,199
Fundraising Activity	Line 94	F	-
		G=E-F	\$ 178,199
Total Administration Employee Salaries and Wages	Line 35	H	\$ 425,705
Total Program Employee Salaries and Wages	Line 14	I	\$ 2,463,500

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Administration Percentage	J = [G+(H*(1+D)) / [I*(1+D)]	22.69%
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Description	FY 2014 Cost Survey Source	Calculati on	All Other Service Costs
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Program Support

<i>Benefits Factor for Median Provider for Program Support Factor Calculation</i>		K	36.96%
Total Program Employee Salaries and Wages for Median Provider	Line 14	L	\$ 3,298,636
Total Program Support Employee Salaries and Wages	Line 19	M	\$ 256,912
Total Maintenance Employee Salaries and Wages	Line 24	N	\$ 62,602
Total Service Related Transportation	Line 125	O	\$ 64,566
Total Facility, Vehicle and Equipment Related Expenses	Line 157	P	\$ 586,860
Program Support Percentage		Q = [O+P+((M+N)*(1+K))]/[L*(1+K)]	24.00%

Table 10: Summary of Non-direct Cost Allocation Calculations – Case Management Services

Description	FY 2014 Cost Survey Source	Calculation	All Other Service Costs
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Benefits

Total Employee Salaries and Wages	Line 7	A	\$ 398,564
Total Employee Taxes, Health Insurance and Other Benefits		B	\$ 77,780

Benefits Factor

C = B/A

19.52%

Administration

<i>Benefits Factor for Median Provider for Administration Factor Calculation</i>		D	41.07%
Administration Expenses	Line 17	E	\$ 2,387
Licenses/Taxes	Line 18	F	3,381
Liability and Other Insurance	Line 19	G	0
Non-Payroll Related Personnel Expenses	Line 20	H	1,989
Other Non-Payroll Administration Expenses	Line 21	I	0
Total Non-Payroll Administration Expenses	Line 22	J=E+F+G+H+I	\$ 7,757
Total Administration Employee Salaries and Wages	Line 5	K	\$ 0
Total Program Employee Salaries and Wages	Line 4	L	\$ 89,508

Administration Percentage

$M = [J + (K * (1 + D))] / [L * (1 + D)]$

6.14%

Description	FY 2014 Cost Survey Source	Calculation	All Other Service Costs
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Program Support

Benefits Factor for Median Provider for Program Support Factor Calculation

		N	19.31%
Total Program Employee Salaries and Wages for Median Provider	Line 4	O	\$ 610,635
Total Contracted Program Services	Line 13	P	\$ 0
Transportation	Line 23	Q	\$ 18,212
Other Non-Payroll Program Support Expenses	Line 24	R	\$ 15,710
Total Non-Payroll Program Support Expenses	Line 157	S=Q+R	\$ 33,922
Rentals/Property Expenses	Line 26	T	\$ 58,833
Maintenance and Repairs	Line 27	U	\$ 3,814
Depreciation and Amortization	Line 28	V	\$ 0
Utilities	Line 29	W	\$ 22,603
Total Other Facility, Vehicle and Equipment Related Expenses		X=T+U+V+W	\$ 85,250
Program Support Percentage		Y = [P+S+X]/[O*(1+N)]	16.36%

VI. Service-Level Rate Methodology

The DD/ABI waiver provider rates reflect a consistent model structure that allows appropriate variation in assumptions and involves cost elements to reflect service-specific differences in service components and costs. Despite this variability in assumptions and cost elements, many of the fundamental calculations and rate build-up steps are the same across service types.

The following sections describe in detail the wage and staffing assumptions that were used to develop proposed rates for each waiver service beyond the static cost allocation factors described above that do not vary among services.

Generally, the rate calculation requires multiple steps to get to the proposed rate. Navigant provides the calculation build up below in Figure 1.

Figure 1: Overview of Calculations Leading to Proposed Rates

$$\begin{aligned}
 \text{Direct Care Unit Cost} &= \left(\text{Direct care median, inflated wage} \div \text{Units Per Hour} \div \text{Staffing Ratio} \right) \times \left(1 + \text{Benefits Factor} \right) \times \text{Productivity factor} \times \text{FTE Factor} \\
 \text{Direct Care Supervision Cost} &= \left(\text{Supervisor inflated wage} \div \text{Units Per Hour} \div \text{Supervisor Span of Control} \right) \times \left(1 + \text{Benefits Factor} \right) \times \text{Productivity factor} \times \text{FTE Factor} \\
 \text{Total Direct Care Cost} &= \text{Direct Care Unit Cost} + \text{Direct Care Supervision Cost} \\
 \text{Non-Direct Care Cost Per Unit} &= \text{Total Direct Care Cost} \times \text{Administration Percentage} \times \text{Program Support Percentage} \times \text{Portion of Non-Direct Cost Included} \\
 \text{Proposed Rate} &= \left(\text{Total Direct Care Cost} + \text{Non-Direct Care Cost Per Unit} \right) \times \text{Incentive Factor (or Reduction Factor)}
 \end{aligned}$$

In Table 11, on the following pages, Navigant provides a summary of the wage rates and staffing ratio assumptions used for each service.

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Table 11: Wage and Staffing Rate Model Assumptions, by Service

Service	Wage Rate (<i>Inflated Median</i>)		Average Staffing Pattern		
	Direct Care Staff	Direct Care Supervisor	Clients are Awake	Client are Asleep	Supervisor to Direct Care Staff Ratio
<i>Day Habilitation Services</i>					
Adult Day Service - Basic	\$ 11.24	\$ 15.05	1:5	N/A	1:9
Adult Day Service - Intermediate	\$ 11.24	\$ 15.05	1:3	N/A	1:9
Adult Day Service - High	\$ 11.24	\$ 15.05	1:1.5	N/A	1:9
Child Habilitation - 0-12	\$ 11.24	N/A	1:2	N/A	N/A
Child Habilitation - 13-17	\$ 11.24	N/A	1:2	N/A	N/A
Community Integration - Basic	\$ 11.24	\$ 15.05	1:4.5	N/A	1:6
Community Integration - Intermediate	\$ 11.24	\$ 15.05	1:2.5	N/A	1:6
Community Integration - High	\$ 11.24	\$ 15.05	1:1.5	N/A	1:6
Individual Habilitation Training	\$ 11.24	N/A	1:1	N/A	N/A
<i>Residential Habilitation</i>					
Residential Habilitation - Basic	\$ 11.24	\$ 15.05	1:4.5	1:6	1:6
Residential Habilitation - Intermediate	\$ 11.24	\$ 15.05	1:3.5	1:6	1:6
Residential Habilitation - High	\$ 11.24	\$ 15.05	1:2.5	1:4	1:6
Residential Habilitation - Intensive	\$ 11.24	\$ 15.05	1:1.5	1:4	1:6
Residential Habilitation – Extraordinary Care	\$ 11.24	\$ 15.05	1:1	1:4	1:6
Residential Habilitation – Host Home	\$ 11.24	N/A	1:2	N/A	N/A
<i>Supported Living</i>					
Supported Living - Individual	\$ 11.24	\$ 15.05	1:1	N/A	1:6
Supported Living - Group of 2	\$ 11.24	\$ 15.05	1:2	N/A	1:6
Supported Living - Group of 3	\$ 11.24	\$ 15.05	1:3	N/A	1:6
Supported Living - Daily (group up to 3)	\$ 11.24	\$ 15.05	1:3	N/A	1:6
Supported Living with Remote Monitoring	\$ 11.24	\$ 15.05	1:8	N/A	1:8
<i>Employment Services</i>					
Prevocational Services - Basic	\$ 11.24	\$ 15.05	1:5	N/A	1:9

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Service	Wage Rate (Inflated Median)		Average Staffing Pattern		
	Direct Care Staff	Direct Care Supervisor	Clients are Awake	Client are Asleep	Supervisor to Direct Care Staff Ratio
Prevocational Services - Intermediate	\$ 11.24	\$ 15.05	1:3	N/A	1:9
Prevocational Services - High	\$ 11.24	\$ 15.05	1:1.5	N/A	1:9
Supported Employment - Individual	\$ 13.18	\$ 15.05	1:1	N/A	1:6
Supported Employment - Group	\$ 13.18	\$ 15.05	1:4	N/A	1:9
Supported Employment Follow Along	\$ 13.18	\$ 15.05	1:1.5	N/A	1:6
Employment Discovery and Customization	\$ 13.18	\$ 15.05	1:1	N/A	1:6
Personal Care Services					
Companion Services - Individual	\$ 11.24	N/A	1:1	N/A	N/A
Companion Services - Group up to 3	\$ 11.24	N/A	1:2	N/A	N/A
Personal Care Services	\$ 11.24	N/A	1:1	N/A	N/A
Homemaker	\$ 11.24	N/A	1:1	N/A	N/A
Respite – Individual	\$ 11.24	N/A	1:1	N/A	N/A
Respite – Group of 2	\$ 11.24	N/A	1:2	N/A	N/A
Respite Daily – Individual	\$ 11.24	N/A	1:1	N/A	N/A
Respite Daily – Group of 2	\$ 11.24	N/A	1:2	N/A	N/A
Therapy Services					
Physical Therapy - Individual	\$ 40.68	N/A	1:1	N/A	N/A
Occupational Therapy - Individual	\$ 36.42	N/A	1:1	N/A	N/A
Physical/Occupational Therapy - Group	\$ 38.55	N/A	1:3	N/A	N/A
Speech, Language, and Hearing - Individual	\$ 34.99	N/A	1:1	N/A	N/A
Speech, Language, and Hearing - Group	\$ 34.99	N/A	1:3	N/A	N/A
Case Management					
Case Management - 15 minute	\$ 24.93	N/A	1:1	N/A	N/A
Case Management - Monthly (4 hours per month)	\$ 24.93	N/A	1:1	N/A	N/A
Case Management - Monthly (6 hours per month)	\$ 24.93	N/A	1:1	N/A	N/A

As described throughout this report, Navigant developed the proposed rates based on the survey-reported costs, feedback from providers, and guidance from BHD. Upon review of the initial rates, BHD indicated that there were specific services they would like to incentivize in SFY 2017 and to do so, would like to apply incentive factors to increase the payment rates. BHD chose to incentivize the following services as follows:

- ***Case Management - 15 minute:*** BHD elected to apply a 5 percent increase to the proposed rate to encourage the use of the 15 minute case management unit (instead of the monthly unit), which is a more specific reimbursement unit based upon services delivered.
- ***Community Integration Services:*** BHD elected to apply a 15 percent increase to the proposed rates to encourage providers to utilize this service to increase the involvement of participants in the community. This is consistent with the purpose of the waiver redesign and the requirements in the 2014 HCBS federal regulations.
- ***Supported Living Services:*** BHD elected to apply a 15 percent increase to the proposed rates to encourage providers to utilize this service to transition participants from residential habilitation to a supported living environment if they are able to live in a more independent setting. This is consistent with the purpose of the waiver redesign and the 2014 HCBS federal regulations. The rate would be comparable to the new lowest rate for residential habilitation so the provider would not lose money on the rate to transition someone to a more independent setting.
- ***Supported Employment Follow Along:*** BHD elected to apply a 20 percent increase to the proposed rate to encourage providers to follow-up with a participant after successfully working at a job to assure the participant and employer receive the technical assistance needed to maintain a successful placement. Service is currently capped at 100 units per year.
- ***Residential Habilitation – Host Home:*** BHD elected to apply a 40 percent increase to the proposed rate as BHD wants to assure that this daily rate meets Department of Labor standards for overtime and minimum wage for certain providers who are sole proprietors and only serve one individual in this setting.

- ***Child Habilitation 0-12:*** BHD elected to reduce the proposed rate by \$0.72 (72 cents) since Wyoming law requires parents to provide childcare to children through age 12. The amount of the reduction is based on a study by Child Care Aware of America of the average 2014 childcare center costs for infants, preschool and school-age children in WY.

Proposed New Services and Rates

BHD requested the development of rates for a new proposed service (Remote Monitoring) and an existing service (Behavior Support Services) that currently does not have a standardized rate methodology.

Remote Monitoring

BHD is considering adding Remote Monitoring as a new service to the DD/ABI waivers beginning in SFY 2017 as a “Supported Living with Remote Monitoring” service. Remote monitoring can be defined as the monitoring of an individual in his or her residence by remote staff using one or more of the following electronic systems: live video feed, live audio feed, motion sensors, radio frequency identification, web-based monitoring system, or other devices. BHD requested that Navigant conduct research of other states that currently offer this service in their DD waivers and vendors that offer the equipment and monitoring service to propose a rate methodology.

Navigant researched three states that currently cover Remote Monitoring (RM): Montana, Ohio and West Virginia. Montana and Ohio have two related services (RM Equipment and RM Service) while West Virginia only has one RM service:

- Montana reimburses \$7.77 per hour for RM service and up to \$300 per month for the equipment lease costs.
- Ohio reimburses \$8.15 for RM service and does not have a cap on the reimbursable amount for RM equipment.
- West Virginia reimburses up to \$1,000 per year toward RM services and equipment.

Navigant researched four vendors that provide RM services for individuals with disabilities, including intellectual and developmental disabilities.

- All four vendors offer a “first responder” service that involves the 24/7 availability of monitoring staff who can respond when an alarm has been activated and some also offer interactive virtual communication capabilities between the vendor staff and the individuals via web cameras. BHD indicated that if a provider selected a RM vendor that provides first response services, the RM vendor would be required to enroll with BHD as a provider.¹⁷
- Some, but not all, vendors also allow providers to waive the 24/7 monitoring service to elect for their staff to serve as the first responders. In this case, the DD/ABI providers’ staff would receive alerts from the monitoring system and would contact the participants directly in response.

Vendors allow equipment to be leased or purchased and typically require a monthly service fee to cover technical support, equipment maintenance and all needed system customizations and upgrades. Monthly fees range from \$30 for basic equipment maintenance to \$300 per month for packages that include 24/7 first responder monitoring services; fees vary based on the amount of equipment installed in each home.

Proposed Remote Monitoring Rates

Based on the information collected during research and input from BHD, Navigant developed a proposed RM rate of \$7.16 per hour for the monitoring component. The proposed rate is comprised of the following factors, shown in Table 12 on the following page, and assumes that one staff person is able to remotely monitor up to eight participants at once.

¹⁷ Providers would need to register with BHD if they will perform first responder or monitoring services. They would not need to register if they are only setting up the systems for the provider.

Table 12: Remote Monitoring Rate Factors

Category	Cost
<i>Direct Care Staff Direct Care Cost Per Hour</i>	\$2.09
<i>Direct Care Staff Direct Care Supervision Cost Per Hour</i>	\$2.80
Total Direct Care Rate	\$4.88
<i>Administration Cost Percentage</i>	22.69%
Administrative Cost Per Hour	\$1.11
<i>Program Support Percentage</i>	24.00%
Program Support Cost Per Hour	\$1.17
<i>Non-Program Contracted Services Percentage</i>	0.00%
Non-Program Contracted Services Cost Per Hour	\$0.00
Rate Per Hour of Service	\$7.16

In addition, Navigant recommends that BHD offer two additional services for remote monitoring:

1. *Remote Monitoring Equipment Installation* – This would be a one-time service per client for initial set-up and installation of equipment to allow providers to claim reimbursement for the initial equipment installation and maintenance. BHD may want to implement a cap on this cost and incorporate this into the current Specialized Equipment service or outline the requirements separately as a “Remote Monitoring Equipment Installation” service. ***Given that the current Wyoming cap for Specialized Equipment is \$2,000, BHD indicated that it would consider a cap of \$3,000 for Remote Monitoring Equipment Installation.*** Based on our research of other states’ program, Navigant found the following related to equipment limits:
 - Ohio caps the cost at \$5,000
 - Montana caps the cost at \$300 per month
 - West Virginia caps the cost at \$1,000 of the annual individual budget amount
2. *Remote Monitoring Equipment (Monthly)* – Monthly service to cover the lease and maintenance costs of equipment. Based on our research, this monthly fee

can vary widely from vendor to vendor; therefore, Navigant recommends that BHD place a cap on the monthly fee and allow providers to submit invoices for approval and reimbursement. *BHD indicated that it would consider implementing a maximum of \$100 per month for this service.*

Behavioral Support Services

The DD/ABI waivers currently include a service called Behavioral Support Services that includes “training, supervision or assistance in appropriate expression of emotions and desires, compliance, assertiveness, acquisition of socially appropriate behaviors, and the reduction of inappropriate behaviors through the implementation of positive behavior support and interventions.”¹⁸ Currently, DD/ABI waiver Behavioral Support Services must be provided by a certified Applied Behavior Analyst (ABA), although BHD indicated that it would consider allowing psychologists, psychiatrists and other physicians who are trained in positive behavior supports to provide the service. Wyoming DD/ABI waivers do not currently have a standardized reimbursement rate for Behavioral Support Services; rather, BHD negotiates reimbursement individually with providers on a per event basis. In addition, because there are very few ABAs in Wyoming who accept Medicaid, BHD often reimburses ABAs from other states for their travel and lodging expenses.¹⁹

BHD requested that Navigant conduct research of how other states reimburse providers for Behavioral Support Services and any limitations on the amount or scope of the service and to propose a standardized rate methodology. Specifically, Navigant was asked to research the following topics:

1. Wages for Behavior Analysts
2. Limits on the amount and time that Behavior Supports can be provided
3. Behavioral Supports reimbursement rates in other states’ DD and ABI waivers

¹⁸ Wyoming Behavioral Health Division, “Comprehensive and Supports Waiver Services: Service Index,” Posted 4-21-2014. Available online:

<http://health.wyo.gov/DDD/ComprehensiveandSupportsWaiver.html>

¹⁹ According to the Behavior Analyst Certification Board (BACB), Wyoming has six certified ABAs, although the website does not indicate whether they are accepting new cases or if they accept Medicaid. See <http://info.bacb.com/o.php?page=100155>

4. Medicaid State Plan coverage of Behavior Supports
5. Qualifications for Behavioral Support providers in other states

Navigant provides a summary of our research findings in Exhibit 2, in the pages that follow.

Exhibit 2: Behavioral Supports Research Summary

1. Wages for Behavior Analysts
<ul style="list-style-type: none">According to Payscale.com, the median salary for a Behavior Analyst is \$53,759 (range: \$40,000 to \$75,000).²⁰ According to Glassdoor.com, the national average salary for a Behavior Analyst is \$58,870 (range: \$45,000 to \$77,000)
2. Limits on the amount and time that Behavior Supports can be provided
<ul style="list-style-type: none">Missouri requires prior authorization for services and places limits on the duration:<ul style="list-style-type: none">➤ Initial authorization for Behavior Analysis Service may not exceed 180 days➤ One subsequent authorization for Behavior Analysis Service may be approved, not to exceed an additional 90 days➤ Additional authorizations for Behavior Analysis Service must be approved by BHD Deputy Director or Assistant DirectorWashington's waiver states that the "DDD and the treating professional will determine the need and amount of service an individual will receive," and that "DDD reserves the right to require a second opinion from a department selected provider."West Virginia limits Positive Behavior Support service to 960 (15 minute) units annually in combination with Therapeutic Consultant Services. For Individual Program Planning meetings, Positive Behavior Support is limited to a maximum of 18 units annually.Oregon limits services to 40 hours per client over 4 months (State Plan Service via Community First Choice Option): All services for Medicaid clients must be prior-authorized by the client's case manager. Hourly rates for the service are established in contracts with each agency. Services are designed to be provided for up to four months at a time with a maximum of 40 hours per client. The four-month/40-hour service can be repeated in a 12 month period.
3. Reimbursement Rates

²⁰ PayScale Source: http://www.payscale.com/research/US/Job=Behavior_Analyst/Salary.
Glassdoor source : http://www.glassdoor.com/Salaries/behavior-analyst-salary-SRCH_KO0,16.htm

- Minnesota, Montana and Washington negotiate reimbursement rates with providers.
- Missouri pays a flat fee for the Functional Behavior Assessment (\$800) and an hourly rate for the implementation of the plan (\$60-72).
- Oregon: Consultants provide documentation to the case manager using the Progress Notes form at the time the agency submits their claim. Remittance or payment is provided to the contracted agency on a monthly basis.

4. Can development of the behavior plan be covered through State Plan?

- In 2014, CMS passed regulations requiring states to cover Applied Behavior Analysis (ABA) for children ages 0-21 under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program when medically necessary.²¹ States are slowly coming into compliance.
- Offering Behavior Supports for adults is typically done through HCBS waivers.
- Oregon covers Behavior Support Services through its state plan because they exercised the Community First Choice option. Individuals who are receiving Home and Community-Based Care Community First Choice State Plan Option services are eligible for Behavioral Support Services if they have one or more of the following needs:
 - Client has or will receive a move-out notice due to challenging behaviors.
 - Client's assisted living facility, residential care facility, adult foster home, or in-home agency provider requests assistance with client behaviors that disrupt other residents or challenge caregivers.
 - Current behavior plan for a client is inadequate, not used or ineffective.
 - Client is in a new placement and has had a recent placement failure due to challenging behaviors.
 - Client has been assigned a special rate to support caregivers who are implementing a behavior plan.
 - Client is receiving as needed (PRN) psychotropic medications for specific behavior.
- According to Washington's DD waiver, Behavior Support services are "only covered under the Waiver when they are outside the definition of service available through the Medicaid State Plan and EPSDT or the child does not meet access to care definitions. It is anticipated some Waiver clients will not be eligible for these services under the Medicaid State Plan, since an individual must have a mental health (MH) diagnosis to receive mental health State Plan services."

5. Qualifications of Behavioral Support Providers

- Not all states require Behavioral Support service providers to be certified behavior analysts.

²¹ The EPSDT program sets the standard for children's healthcare under Medicaid, including a comprehensive set of benefits and services for children that are different from adult benefits.

- **Minnesota** allows providers to be: psychologists, social workers, physicians, nurses, mental health counselors, etc. They all must meet certain minimum qualifications of a “Mental Health Practitioner” as defined in state law and have a minimum number of years/hours of experience as defined in the waiver.
- **Minnesota’s** waiver considers three staffing levels:
 - Behavior Professionals who develop the behavior support plans
 - Behavior Analysts who oversee implementation of the support plans and train/supervise the Behavior Specialists who implement the plan
 - Behavior Specialists who implement the behavior plans that were written by Behavior Professionals, collect and record data as needed.
 - Each staff type has differing educational and training requirements. Behavior Specialists require the least education and training.
- In **Missouri**, the providers must be licensed as an Assistant Behavior Analyst or a licensed professional in psychology, social work or professional counseling with training specific to behavior analysis, OR providers must have completed coursework for behavior analyst licensure and working under the supervision of a Licensed Behavior Analyst.
- In **Washington**, Behavior Support can be provided by: RN, LPN, Psychiatric ARNP, social worker, Sex Offender Treatment Provider (SOTP), psychologist, mental health Counselor/therapist, behavior management provider with 5 years of experience serving individuals with developmental disabilities, physician assistant (working under the supervision of a psychiatrist), registered or certified counselor, or a psychiatrist.
- **West Virginia** requires providers to meet one of the following:
 - Board Certified Assistant Behavior Analyst Certificate-BCaBA (Bachelor's degree)
 - Board Certified Behavior Analyst Certificate- BCBA (Master's degree)
 - BA/BS degree in human services field and 2 years of experience in the MR/DD field and documented evidence of successful completion of APBS Standards of Practice coursework/training.
 - BA/BS degree in human services field and evidence of successful completion of all coursework required for the BCaBA exam and 1 year experience in the MR/DD field.
- The BACB offers “Registered Behavior Technician” (RBT) certification for paraprofessionals who work under a certified ABA to execute the behavior plans that ABAs create.

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Proposed Behavioral Support Services Rates

Based on this research and input from BHD, Navigant has proposed an hourly rate of \$78.93 for Behavior Support Services. The wage rate for the Behavioral Support Service equals the average of the median wages for Wyoming's "Clinical, Counseling, and School Psychologists" from BLS and "Psychologists, Other" from surrounding states (Colorado, Montana, Nebraska, North Dakota and Utah). Navigant summarizes the rate factors for the proposed Behavior Support service rates in Table 14 below.

Table 14: Proposed Behavioral Support Service Rate Factors

Rate Factor	Cost
<i>Direct Care Staff Direct Care Cost Per Hour</i>	\$ 53.81
Total Direct Care Rate	\$53.81
<i>Administration Cost Percentage</i>	22.69%
Administrative Cost Per Hour	\$12.21
<i>Program Support Percentage</i>	24.00%
Program Support Cost Per Hour	\$12.91
<i>Non-Program Contracted Services Percentage</i>	0.00%
Non-Program Contracted Services Cost Per Hour	\$ 0.00
Rate Per Hour of Service	\$78.93

BHD indicated that they would allow Psychologists, Psychiatrists and physicians who are also trained in positive behavior supports to provide this service. For the Behavioral Support Service, Navigant recommends that BHD implement two rates:

1. *Behavioral Support Assessment (One-time)* - This would be a one-time payment for the behavioral support assessment. The rate for this service would not be a set rate but there will be a cap placed on this assessment payment at BHD's discretion. For example, the assessment rate for Missouri is \$800 per assessment.
2. *Behavioral Support Services (Hourly)* – For implementation of the assessment, Navigant proposes an hourly fee for reimbursement of \$78.93. This service

would include training, supervision or assistance in appropriate behaviors through the implementation of positive behavior support and interventions.

IV. Estimated Budget Impact of Proposed Rates

To determine the budget impact of implementing the proposed rates as outlined in this report, Navigant obtained the claims utilization from Wyoming Department of Health - Fiscal for waiver services paid in SFY 2015.²² Navigant identified the corresponding proposed service and rate for each of the services in the claims data to identify the number of units that are projected to be utilized.²³ The estimated payments equal the SFY 2015 units multiplied by the proposed rate. For purposes of estimating the budget impact, Navigant assumed that billed units remained constant from SFY 2015. Neither BHD nor Navigant have any indication of how service unit patterns will change under rebased rates; however, Navigant expects that providers will shift billing patterns in response to the rebased rates. The difference between the estimated payments and the actual SFY 2015 payments equals the estimated budget impact as summarized in Table 15 below.

²² BHD provided a summary file of waiver claims utilization and payments on August 25, 2015 for services paid in SFY 2015.

²³ There are several services where a rebased rate was not calculated in this rebasing analysis; and there are expenditures for self-directed services. For purposes of the budget impact calculations, we added in the units and expenditures for these services to accurately represent Wyoming's total expenditures in SFY 2015.

Table 15. Summary of Budget Impact Estimate

Type of Service	Expenditure Impact Estimates			
	Wyoming Waiver Claims Data (Paid 7/1/14-6/30/15)		Estimated Payments	Estimated Budget Impact
	Actual Paid Units ²	Claims Paid Amount ³		
	A	B=A*Current Rate	C=A*Proposed Rate	D=C*B
Total for Rebased Services	7,485,101	\$ 89,633,910	\$92,834,863	\$3,200,954
Total for Services without Proposed Rebased Rates	107,922	\$6,323,692	\$6,323,692	\$ -
Total for Self-Directed Services	272,131	\$272,131	\$272,131	\$ -
Total Projected Expenditures⁴	7,865,154	\$96,229,732	\$99,430,686	\$3,200,954

V. Rate Implementation Options

For the implementation of these proposed rates for SFY 2017, BHD is completing additional analyses to review the individual budget amounts (IBAs) and level of service need scores for each client along with the proposed rates and available funding to determine implementation options. Newly funded individuals must also be considered in the rate implementation. Navigant understands that BHD is:

- Applying each client's level of service score to the claims data to determine a more detailed estimate of how the proposed rates might affect BHD's budget (this analysis specifically impacted the budget estimates for the "Residential Habilitation - Extraordinary care" and discontinued Day Habilitation services).
- Adding a flat modifier that infuses all rates with additional appropriation money, which would be an across the board consistent increase of all rates. The ratio between rates and the incentive factors all remain the same. BHD, in consultation with Navigant, chose to incentivize some rates and not to de-incentivize any rates.

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- Considering developing and implementing two sets of rates based on the client's level of service score to allocate the available funding – the proposed rates, as presented in this report, would apply to clients with level of service scores up to 3.9; the second set of rates would be at an increased level and apply to clients with a level of service score of 4 and above.

Any further adjustments to the proposed rates will be based on BHD's analysis and results.